Ho Chi Minh City Wastewater and Drainage System Improvement Project

**Project Name:** Ho Chi Minh City Wastewater and Drainage System Improvement Project

**Project Number:** 50107-001

**Country:** Viet Nam

**Project Status:** Active

**Project Type / Modality of Assistance:** Technical Assistance

**Source of Funding / Amount:** TA 9205-VIE: Ho Chi Minh City Wastewater and Drainage System Improvement Project
Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility

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<th>Strategic Agendas</th>
<th>Environmentally sustainable growth</th>
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</thead>
<tbody>
<tr>
<td>Drivers of Change</td>
<td>Governance and capacity development</td>
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<tr>
<td>Sector / Subsector</td>
<td>Water and other urban infrastructure and services - Water and other urban infrastructure and services</td>
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<tr>
<td>Gender Equity and Mainstreaming</td>
<td>Effective gender mainstreaming</td>
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**Project Rationale and Linkage to Country/Regional Strategy:**

Ho Chi Minh City (HCMC), the largest city in Viet Nam with 8.0 million inhabitants, is the center of Viet Nam's economic activity, contributing 27% of the national gross domestic product (GDP) in 2014. Under the central government's long-term strategic vision of Socio-Economic Development Strategy (SEDS), 2011–2020 and its 5-year Socio-Economic Development Plans (SEDP), HCMC will remain the main engine of Viet Nam's urbanization and industrialization with its higher GDP growth rate over the national average. While HCMC's growth has been underpinned by investments on basic urban infrastructure and improved water supply system, its development stands at a turning point. Weak wastewater and drainage system has become a clear bottleneck as surface water quality of inland canals and rivers has rapidly deteriorated, raising serious public health and environmental concerns. In HCMC, the country's typical sector problems occur at the largest scale: (i) a sewer network coverage has little improved from 12% in 1997, with only 50–80% user connections even in the central districts; (ii) a sewer network predominantly uses combined collection system of sewer and storm water; (iii) only two out of twelve existing drainage catchments have the centralized wastewater treatment plants, treating less than 10% of city's domestic wastewater or only 14% of the city's wastewater; and (iv) about 80% of households still rely on septic tanks with many lacking proper septage management. HCMC's low lying terrain adds technical complexities to the system adopting gravity flow for collection and transportation. Although the key regulations came into force on clarifying ownership and responsibilities of wastewater and drainage assets, and promoting financial cost recovery, weak financial basis of local governments and lack of their institutional capacity to implement the regulation cause a spiral of technical, financial and market failures in sector performance.

Viet Nam's vulnerability to climate change further exacerbates the problem. HCMC is one of the 10 cities in the world likely to confront the early impacts of climate change. The projected sea-level rise of 33 centimeters (cm) by 2050 and 100 cm by 2100 is alarming for HCMC, where 40–45% of the central districts are within 100 cm above sea-level. By 2050, twelve out of 14 wastewater related facilities will be inundated in regular flood events. The city's wastewater and drainage system faces challenges of rising sea-level and enhanced storm surges to control floods and mitigate sewage backflow. Since 1998, $1.1 billion (in 2005 constant price) has been provided by the government of Belgium, Japan International Cooperation Agency (JICA) and the World Bank to upgrade the wastewater and drainage system in HCMC. Their interventions have been individually effective, but less coordinated. Many catchments are still left out from the support. The city's construction Master Plan does not recognize climate risk appropriately. A large financial gap must be filled by rationalized investment planning that effectively mobilizes public and private funds.

**Impact**

**Project Outcome**

**Description of Outcome**

**Progress Toward Outcome**

**Implementation Progress**

**Description of Project Outputs**

**Status of Implementation Progress (Outputs, Activities, and Issues)**

**Geographical Location:** Ho Chi Minh City

**Summary of Environmental and Social Aspects**
Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
During Project Design
The project is under preparation. The consulting firm was mobilized in March 2018.
During Project Implementation
The project is under preparation. The consulting firm was mobilized in March 2018.

Business Opportunities
Consulting Services
In accordance with ADB’s Guidelines on the Use of Consultants (2013, as amended from time to time), a consulting firm will be engaged, using the quality-and cost-based selection method with a quality:cost ratio of 90:10 using the full technical proposals.

Responsible ADB Officer
Satoshi Ishii
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Southeast Asia Department
Responsible ADB Division
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Executing Agencies
Ho Chi Minh City People’s Committee
86 Le Thanh Ton Street, Ben Nghe Ward, District 1, Ho Chi Minh City
Viet Nam

Timetable
Concept Clearance

Fact Finding

MRM

Approval
14 Oct 2016
Last Review Mission

Last PDS Update
28 Mar 2018

TA 9205-VIE

Milestones

Approval

Signing Date

Effectivity Date

Closing

Original

Revised

Actual
14 Oct 2016
12 Jan 2018
12 Jan 2018
30 Sep 2019
15 Jan 2020

Financing Plan/TA Utilization

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